

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

FISCAL YEAR 2011 BUDGET JUSTIFICATION



An independent agency responsible for administering the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) and the AbilityOne Program.



TABLE OF CONTENTS

Executive Director’s Message and Summary	2
Legal Authority and Mission	6
AbilityOne Program Structure	6
Performance Plan/Strategic Goals	8
Effective Stewardship	8
Employee and Customer Satisfaction	10
Employment Growth	12
Business Excellence	13
Proposed Appropriation Language	14
Policy and Funding Priorities	15
Discretionary Funding Targets	15
Terminations, Reductions and Savings	15
Programmatic Increases or Anomalies	16
Information Technology	16
Budget Request by Object Class	17
Conclusion	20

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

BUDGET REQUEST

EXECUTIVE DIRECTOR'S MESSAGE AND SUMMARY

I am pleased to present the FY 2011 Budget Justification for the Committee for Purchase From People Who Are Blind or Severely Disabled, the independent Federal agency responsible for administering the AbilityOne Program under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) as amended. The AbilityOne Program creates meaningful employment and training opportunities for more than 43,000 people who are blind or who have other severe disabilities nationwide. The AbilityOne network is the single largest source of employment for this segment of the U.S. population. The program's delivery of such jobs, as well as quality products and services at a fair market price, is built on a foundation of accountability.

Accountability through stewardship is a longstanding cornerstone of the Committee's Strategic Plan. Stewardship is an Agency priority, our first strategic plan objective, and it aligns with the President's emphasis on the importance of accountability in Government programs to earn and maintain taxpayers' trust. Ensuring that statutes and regulations are followed protects the integrity, image and long-term employment interests of the AbilityOne Program. The Agency's progress in growing the employment of people who are blind or severely disabled increases commensurately our responsibility to ensure program oversight and compliance. We request funding in FY 2011 to expand the reach and depth of our compliance reviews. As the Committee's mission is accomplished through the Federal acquisition system, it is particularly important for the Committee to have the expertise and resources needed to ensure contract compliance, as well as adherence to all statutory and regulatory requirements.

Employment is a key pillar of President Obama's Plan to Empower People with Disabilities. Such empowerment through employment requires emphasis on the quality as well as the quantity and availability of jobs. The Committee's guiding principles underscore quality employment for AbilityOne employees. Our population has opportunities to do the work of their choice with appropriate supports, workplace flexibilities, access to training, and a clear path to career and advancement opportunities, including opportunities to enhance earnings. The Committee is overseeing the planning and implementation of a Quality Work Environment (QWE) initiative. At the same time, the Committee is actively educating Federal agencies about the capabilities of people who are blind or who have other severe disabilities in order to grow the number of jobs offered through the AbilityOne Program.

President Obama has directed the heads of all Federal agencies to leverage technology and other creative methods to solicit public feedback, so that our Government is transparent, participatory and collaborative. The Committee has several initiatives underway that use technology to increase the speed at which information and services are both offered and delivered. We are digitizing existing business records while ensuring that new official records are created and stored electronically. The Agency is reviewing enterprise-wide business transactions to identify opportunities to decrease cycle time and administrative burden. While regularly updating our web site, we also maintain compliance

with Section 508 of the Rehabilitation Act, (29 U.S.C. 794d) as amended to ensure its accessibility to people who are blind or have other significant disabilities.

The Agency intends to maximize Internet-based communication tools in FY 2011. For example, IT initiatives such as live streaming video and RSS feeds that immediately disseminate real-time information on Procurement List product and services will significantly increase procurements that result in employment opportunities. Additionally, robust IT is critical to paperless data collection, tracking and measuring the success of agency initiatives, efficiencies and effectiveness. We will further leverage technology to improve timely collaboration with stakeholders. To the maximum extent practicable, the Agency will make cost-effective use of video teleconferencing, web meetings and webinars to ensure transparency and that AbilityOne participants can provide feedback, best practices and recommendations directly with Agency leaders.

The agency's high-priority strategic goals and indicators are detailed in this budget submission. They are briefly summarized as follows:

1. Effective stewardship, demonstrated by the number of participating nonprofit agencies verified to be in full compliance with program rules and regulations.
2. Employee and customer satisfaction, demonstrated by increases over time in percentages of employees and customers who report that they are satisfied or highly satisfied with what the AbilityOne Program provides them.
3. Employment growth, demonstrated by the increase in jobs and hours worked by the AbilityOne Program's workforce.
4. Business excellence, demonstrated by improved processes that affect the entire enterprise, including decreased cycle time for the AbilityOne Program's key business transactions.

The Committee's FY 2011 budget request for \$5,771,000 is consistent with current Administration policies as well as planning guidance from the Office of Management and Budget (OMB). It reflects an increase of \$375,000 over the Committee's FY 2010 appropriation level. This request includes the resources to discharge the Agency's statutory and regulatory duties, and to execute the broad policies and strategies necessary to achieve the Agency's high-priority goals, particularly effective stewardship and employment growth. The Agency continues to realign its personnel to leverage existing skills needed to address the most critical objectives and outcomes. However, to manage the continued and anticipated increase in the Agency's workload, particularly in oversight and outreach, the Committee would allocate funds from the requested budget increase to:

- Add 2 full-time equivalent (FTE) positions to work in area of the agency that are most impacted by increased demands (oversight and compliance) and
- Ensure resources are available to cover respective increases in rent, information technology, equipment and travel requirements for the new and existing FTEs.

A brief summary of this request is presented below. Personnel and benefits account for more than 70 percent of the total request for FY 2011. The remainder includes an unavoidable increase in rent; it also contains information technology services, travel, supplies, equipment and other services.

Table 1: Budget Summary			
Category:	FY 2010 Authority	FY 2011 Request	Percent Change
Personnel	\$3,335,000	\$3,530,000	6%
Benefits	\$ 830,000	\$ 876,000	6%
All Other*	\$1,231,000	\$1,365,000	11%
Total	\$5,396,000	\$5,771,000	7%

*All other budget object classes include an unavoidable rent increase, mission-critical travel and sustained investment in the Agency's information technology resources.

The funding requested for FY 2011 will provide the Committee with resources necessary to carry out our specifically mandated responsibilities, including:

- Increase employment opportunities for people who are blind or have other significant disabilities.
- Establish rules, regulations, and policies to assure effective implementation of the Javits-Wagner-O'Day Act and the AbilityOne Program it authorizes.
- Determine which products and services procured by the Federal Government are suitable to be furnished by qualified nonprofit agencies employing persons who are blind or have other significant disabilities.
- Determine fair market prices for items added to the Procurement List and revise those prices in accordance with changing market conditions.
- Monitor affiliated nonprofit agencies' compliance with Committee regulations and procedures.
- Inform Federal agencies about the AbilityOne Program and the statutory mandate that items on the Procurement List be purchased from qualified nonprofit agencies.
- Encourage and assist entities of the Federal Government to identify additional products and services that can be purchased from qualified nonprofit agencies.
- Designate and provide guidance to the Central Nonprofit Agencies that facilitate nonprofit agencies' participation in the AbilityOne Program.
- Conduct a continuing study and evaluation of mission execution to ensure effective and efficient administration of the Act.

We have a 70-year program history and we are proud that the AbilityOne network is the single largest source of employment for this segment of the U.S. population. However, we are keenly aware that much more must be achieved in the employment of our target population. More than 17 million Americans are blind or have other severe disabilities, and they have the highest level of unemployment among all segments of the population – over 60% are not employed. The AbilityOne Program attempts to correct this inequity, providing over 43,000 job opportunities to people who are blind or who have other severe disabilities. Our budget request is structured to achieve more and be more aggressive in our pursuit of employment opportunities for the blind and severely disabled.

The Administration's commitment to empowerment of people with disabilities invites a renewed emphasis on and capability to provide employment opportunities through the Javits-Wagner-O'Day Act and the AbilityOne Program. The time for us to take up that invitation is now, and we request

your support in providing the resources and capacity to increase employment for people who are blind or otherwise significantly disabled.

The Committee looks forward to making significant contributions to the Administration's goals and demonstrating excellence in the fulfillment of our employment mission.

Submitted by

E. Ballard
Executive Director & CEO

LEGAL AUTHORITY

*The Javits-Wagner-O'Day Act of 1971.
See 41 U.S.C. 46-48c as amended and 41 CFR Chapter 51.*

MISSION STATEMENT

*To provide employment opportunities for people who are blind
or have other severe disabilities in the manufacture and delivery of
products and services to the Federal Government.*

COMMITTEE AND ABILITYONE PROGRAM STRUCTURE

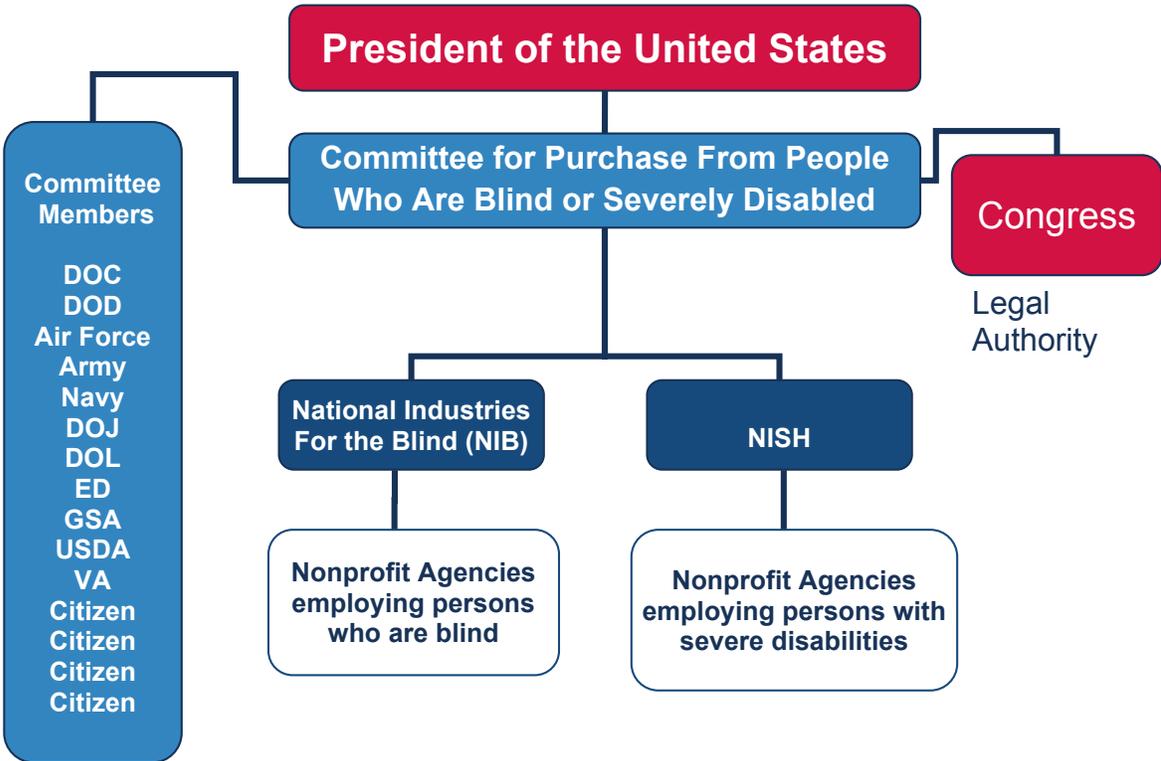
The Committee is an independent agency with exclusive responsibility for administering the Javits-Wagner-O'Day Act of 1971 (41 U.S.C. 46-48c), as amended. Accordingly, the Committee oversees an employment and procurement program known as the AbilityOne Program, which is responsible for employing over 43,000 Americans who are blind or who have other severe disabilities.

The agency is directed by 15 Committee members appointed by the President, 11 of whom work for and represent other Federal agencies, while four members are private citizens representing the interests of people who are blind or severely disabled. The Committee members formulate policy and vote on significant legal and administrative matters, including additions to the list of products and services for procurement by Federal Agencies and published as the "Procurement List." An Executive Director serves as the chief executive officer and leads a full-time civil service staff in performing the day-to-day activities necessary to administer the Act and the AbilityOne Program.

The Committee's enabling legislation provides for the designation of one or more Central Nonprofit Agencies to assist the Committee in administering the law and the AbilityOne Program. These central nonprofit agencies are National Industries for the Blind (NIB) and NISH (serving people with a range of disabilities). NIB and NISH are private, not-for-profit organizations that allocate orders and provide other technical and financial assistance to more than 600 State and local nonprofit agencies that participate in the AbilityOne Program.

NIB and NISH work with their associated nonprofit agencies and Federal customers to identify Government procurement requirements that can create employment opportunities for individuals who are blind or have other severe disabilities. Following opportunities for public comment and after due deliberation, the Committee places such product and service requirements on the Procurement List, thus requiring Federal departments agencies seeking to procure such designated products and services to purchase them from the nonprofit agency(ies) designated by the Committee.

ABILITYONE PROGRAM ORGANIZATION CHART



PERFORMANCE PLAN / STRATEGIC GOALS

The Committee's Strategic Plan for FY 2010-2014 is the driver for its performance plan and indicators. The Agency's high-priority goals are (1) Effective Stewardship, (2) Employee and Customer Satisfaction, (3) Employment Growth and (4) Business Excellence. Each goal is further defined below, to include the background and accomplishments thus far, areas identified for improvement, the contributing programs, the strategies planned to achieve the goal, the measures to be used and the resources required.

GOAL 1: EFFECTIVE STEWARDSHIP

The Committee has ultimate responsibility for the integrity, effectiveness and overall stewardship of the AbilityOne Program. Stewardship encompasses several oversight responsibilities related to monitoring and achieving compliance with statutory, regulatory and other appropriate requirements by all nonprofit agencies participating in the AbilityOne Program. It is necessary to protect the integrity, image and long-term employment interests of the AbilityOne Program. Effective stewardship is the cornerstone of the Agency's Strategic Plan.

Following a 2007 report and recommendations issued by the Government Accountability Office (GAO), the Committee determined that all compliance reviews of AbilityOne participating nonprofit agencies are inherently governmental and must be performed by Agency personnel. Prior to 2007, the Agency's designated Central Nonprofit Agencies performed a significant share of the total compliance reviews. Assumption of full responsibility for compliance activities had a dramatic impact on the Agency's funding requirements. In addition to the GAO recommendations, the AbilityOne Program's increasing number of manufacturing and/or service job locations – all across the country – requires a commensurate increase in resources for the compliance function.

The Committee has implemented several strategies to enhance the compliance function's efficiency and outcomes. The Agency uses a statistically valid sampling method to allow a representative portion of records to be reviewed at each site with a high degree of reliability. Our information management system enables receipt of participating nonprofit agencies' self-certification reports electronically, facilitating the staff's review and identification of discrepancies. The Agency leverages technical assistance visits made by its Central Nonprofit Agencies to increase nonprofit agencies' awareness and understanding of statutory and regulatory requirements. Feedback from such technical assistance visits, as well as annual data we are authorized to collect from AbilityOne participants, enables the Committee staff to target locations that warrant site visits.

The site visit remains a fundamental element of the compliance assurance methodology. It is necessary to have the staff and travel resources to ensure that a percentage of the fastest-growing nonprofit agencies and others that have a heightened potential for noncompliance are audited on-site by trained staff annually. The Committee will also continue to utilize technology to maximize efficiency and effectiveness of compliance audits. For example, video teleconferencing will enable senior staff to join the compliance team on the ground and receive immediate reporting of the review outcomes with the nonprofit agency leaders. As the Agency accomplishes its mission through the Federal acquisition system, assurance of contract compliance is particularly important and requires more of the Committee's attention in the future.

Within the Agency, the Compliance directorate has primary responsibility for ensuring that agencies participating in the AbilityOne Program comply with all applicable laws and regulations. In FY 2011, this directorate will for the first time broaden the scope of data reviewed from aggregate annual data to include available project level data. This strengthens the Agency's ability to identify the most significant opportunities to increase employment, determine compliance with applicable laws and regulations, flag problem areas and help inform the Committee and other stakeholders about issues that may require legislative, regulatory, or policy consideration. The Policy and Programs directorate, along with the Agency's General Counsel, have secondary responsibility for stewardship, as they are responsible for developing and implementing policies related to nonprofit agency compliance.

The intended outcome and target is to have 100% of participating nonprofit agencies verified by the Committee to be in full compliance with all program requirements by FY 2014. This means that 20% of all participating nonprofit agencies (currently 610) should be reviewed each year and any necessary corrective action taken to ensure that full compliance is achieved. In order to monitor and verify such compliance, the Committee plans to perform a minimum of 130 compliance reviews in 2011. The Committee will review bi-monthly scorecards to monitor its progress.

The primary resources required to achieve these targets are personnel, travel funds and information technology equipment and software. The Committee has proposed adding 2 FTEs to its compliance staff in FY 2011. To adequately visit and verify AbilityOne-participating nonprofit agencies' compliance with the statutory and regulatory requirements, we anticipate the compliance staff requiring more travel dollars than were needed in FY 2010; however, most of that amount will be reallocated from other program travel requirements, so that the net increase requested is very modest. (Other travel dollars are discussed in the budget table and narrative later in this document). A small increase is requested in the Committee's budget for equipment to provide the necessary computers and portable devices that support these employees' work on site and on travel.

As noted above, effective stewardship relates to protecting the integrity, image and long-term employment interests of the AbilityOne Program. A second objective for stewardship is communicating about the AbilityOne Program in a way that advocates its mission and protects its unique status as a socioeconomic program within the Federal Government. The strategies to achieve this objective are consistent with the Agency's current initiatives for education and outreach among Federal agencies, policy makers, advocates for people with disabilities, and other stakeholders. Executing its strategic communications plan, the Agency continues to raise visibility and garner support for the AbilityOne Program. Program advocacy includes establishing strategic alliances with educational institutions, Federal and commercial business partners, and expanding communications. Since FY 2008, the Agency has been successful in reaching over 14 million viewers, listeners, readers and live audience members. It has also established a strategic alliance with the Defense Acquisition University, sustained commitments from the Departments of Agriculture and Defense, and has begun partnering with commercial corporations that have significant presence in the Federal marketplace.

From a stewardship and advocacy perspective, the intended outcome of these actions is public trust that ultimately supports the Employment Growth goal (discussed later). Additionally, the desired outcome is heightened awareness of the program's integrity, along with understanding and preference for the AbilityOne Program that results in goodwill and enduring policy support for the employment mission. The AbilityOne Program has benchmark data showing its level of awareness, understanding and preference among key stakeholders. Similar quantitative research will be performed no later than FY 2011 to measure the percentage increase in these areas. The Agency will continue to track its total reach through all media vehicles and will measure return on investment. Current staffing levels

will execute the advocacy, communications and outreach tactics related to this strategy in 2011, maximizing Internet-based communication technology to disseminate program information to millions of people across America and overseas. The Agency will make cost-effective use of video teleconferencing, web meetings and webinars to foster collaboration and the exchange of information. The Committee will still require some program travel dollars to enable our staff members to personally engage high-value audiences. This nominal increase is included in the overall request for the travel object class.

GOAL 2: EMPLOYEE AND CUSTOMER SATISFACTION

President Obama's Plan to Empower People with Disabilities dedicates an entire section to employment. To truly empower an individual, employment must provide personal satisfaction as well as financial income. The Agency has three guiding principles for AbilityOne employment. These principles state that employees who are blind or have other significant disabilities should have opportunities to do the work of their choice, with appropriate supports and/or workplace flexibilities; access to on-going training; and a clear path to career and advancement opportunities, including opportunities to enhance earnings. The principles are the pillars for quality employment and employee satisfaction. Some formal and informal methods have been employed to solicit AbilityOne employee feedback over the past several years; however, this has not been accomplished on a consistent, program-wide basis.

In November 2008, the Committee took a significant step towards identifying and promoting best practices within the AbilityOne Program that lead to quality employment and employee satisfaction. To accomplish this, the Committee established a Quality Work Environment (QWE) initiative that will provide a strategic, consistent and program wide approach to quality employment and employee satisfaction. Through this initiative Quality Work Environment (QWE) business plans will be developed and implemented by the designated Central Nonprofit Agencies in FY 2010 and best practices exported to 600 affiliated agencies for development of their QWE plans.

Within the Agency, the Policy and Programs directorate has primary responsibility for the QWE initiative and the ultimate goal, an enhanced level of employee satisfaction. The Compliance directorate will be responsible for communication and dissemination of QWE best practices among AbilityOne participating nonprofit agencies. What is unique about this initiative is that the QWE steering group is a self-directed team of AbilityOne participating nonprofit agencies and private sector subject matter experts. The steering group and its subgroups are ensuring a high level of engagement by AbilityOne participants as well as practical experience and credibility in the vetting and sharing of such best practices.

The expected outcome, at the highest level, is increased and/or sustained employee satisfaction among the AbilityOne workers who are blind or have other significant disabilities. The target for FY 2011 is to fully roll out the QWE business plans across the AbilityOne enterprise and to establish appropriate, consistent baseline data for employee satisfaction via cost-effective research methodologies. For FY 2012 – 2014, the specific targets to be determined will be in the form of percentage increases in employee satisfaction and may include the adoption rate of QWE best practices. The resources required by the Committee to achieve these targets are within the Agency's current base.

While employee satisfaction is important in its own right, it is also a driver of customer service excellence. Ensuring the satisfaction and loyalty of Federal customers is equally critical to fulfilling

the employment mission of the AbilityOne Program. It is a key driver of Federal agencies' continued use of the AbilityOne Program's products and services. The AbilityOne Program has never conducted comprehensive or real-time customer satisfaction data collection on a program level. Gaining a better understanding of customer satisfaction will allow the Committee to focus efforts on areas for improved service.

The Committee's Business Operations directorate plays an important role in Federal agencies' satisfaction with the overall process and experience of working with the AbilityOne Program, as it handles the addition, deletion and maintenance of products and services on the Procurement List. Outside the Agency, the Committee's two Central Nonprofit Agencies play a role in delivering and/or impacting Federal customer satisfaction. They directly provide customer service to Federal agencies while a product or service requirement is in the process of being added to the AbilityOne Procurement List, and throughout the period of performance. They also support Federal customers by assisting them with contract renewals and renegotiations, and by assisting in resolution of any performance concerns customers may have regarding a nonprofit agencies' delivery of products and services.

Quality initiatives have been undertaken by the Central Nonprofit Agencies and AbilityOne participating nonprofit agencies over the past few years to increase the level and consistency of performance on their manufacturing and service contracts. Several nonprofit agencies are ISO 9001 and ASO 9100 certified. Our affiliated nonprofit agencies have also received quality awards from their customers, such as the Navy's Ney Award for the best food service operation ashore. While quality efforts and continuous improvement are ongoing, it is important for the AbilityOne Program to establish benchmarks. It is necessary to develop mechanisms, both quantitative and qualitative, to collect reliable satisfaction data.

The Committee intends to build on efforts in FY 2010 to execute customer satisfaction surveys that gather feedback around Federal agencies' experience with the AbilityOne Program and level of overall satisfaction. It will obtain the information necessary to assess baseline satisfaction levels with the program through cost-effective means that do not require increased appropriated funds in 2011. Existing Committee staff with expertise in communications, customer relationship management, and planning and data analysis will be tapped to define the scope and implementation requirements to assess baseline satisfaction levels. The data will be analyzed to identify areas requiring improvement to increase customer satisfaction, and both short-term and long-term strategies to address those gaps will be developed. Any identified funding requirements will then be addressed in the 2012 budget request to achieve customer satisfaction targets from 2012-2014.

The expected outcome is increased and/or sustained customer satisfaction among the Federal agencies that purchase or use AbilityOne products or services. The target for FY 2011 is establishment of a baseline for customer satisfaction through a replicable methodology. Periodic replication of this methodology will provide the means to quantitative measures such as the percentage increase/decrease in customer satisfaction. For FY 2012 – 2014, the specific targets to be determined will be in the form of percentage increases in customer satisfaction and may include some measure of problem resolution. The resources required by the Committee to achieve these targets are within the Agency's current base.

GOAL 3: EMPLOYMENT GROWTH

To more effectively accomplish the intent, strategic direction and employment that are the foundation of the Javits-Wagner-O'Day Act, the AbilityOne Program must aggressively pursue new employment opportunities. More than 17 million Americans are blind or have other severe disabilities, and they have the highest level of unemployment among all segments of the population – over 60% are not employed. The AbilityOne Program attempts to correct this inequity, providing over 43,000 job opportunities to people who are blind or who have other severe disabilities. Nevertheless, AbilityOne job opportunities only scratch the surface in comparison to the opportunities needed by our target population. The AbilityOne Vision is that all people who are blind or severely disabled will achieve their maximum employment potential. Millions of working-age Americans with severe disabilities could be served if more AbilityOne work is made available.

The Committee has identified and is pursuing several strategies to increase employment opportunities under the AbilityOne Program. The Agency is employing data mining and proactive engagement with Federal requiring offices and acquisition offices to identify new opportunities and recommend selection of an AbilityOne solution creating the maximum jobs. As a result, several new business opportunities have been offered to the Central Nonprofit Agencies for development, and some have already come to fruition in terms of addition to the Committee's Procurement List, resulting in employment.

However, in today's economic environment and with overall constrained federal procurement budgets, new jobs are often offset by decreases in employment attributable to shifts in Federal procurement requirements and priorities. These facts heighten the need for the Committee to implement initiatives and business practices that adapt to the Federal procurement environment, neutralize potential job losses and result in employment growth. In FY 2011, the Committee will continue to employ procurement data analysis, to engage with the large procuring agencies and to identify lines of business that create the most jobs for people who are blind or severely disabled, to foster significant employment growth.

The Committee is partnering with other Federal agencies to create and deliver training programs aimed at Federal employees and industry employees who perform Federal contract work, to educate them about the professional capabilities of people who are blind or severely disabled under the AbilityOne Program. To further education and outreach efforts among Federal agencies, and in particular, to increase AbilityOne employment of veterans who are blind or severely disabled, the Committee will work directly with the Department of Defense, the Department of Veterans Affairs, the Department of Labor and other key agencies to develop and execute an integrated strategy to increase AbilityOne employment of veterans. The Committee will establish and update necessary policies and procedures to support AbilityOne business development and employment growth.

Within the Agency, the Business Operations directorate has the lead for achievement of this goal, with significant support from the Policy and Programs directorate and the Agency's senior leaders. The Business Operations directorate is responsible for educating Federal customers, the CNAs and the nonprofit agencies on the process and procedures for adding new products and services to the Procurement List. This directorate also develops business opportunities for employment growth and solutions to challenges that jeopardize existing jobs as a result of performance, pricing, and delivery concerns or changes in market conditions. In lieu of seeking additional FTEs for this goal area, current staff will continue to be aligned and trained to increase the Agency's operational capacity, in order to support the development of new jobs and to handle the submission of many new business

transactions. The Policy and Programs directorate is responsible for the AbilityOne Program's strategic communications. While additional employees may be requested in future budget years to expand the Committee's educational efforts regarding the benefits and capabilities of the AbilityOne Program, the Agency is committed to maximizing its current resources and will execute strategic communications within its current base in 2011.

The expected outcome is increased job opportunities and the hours of work provided by those jobs to people who are blind or have other severe disabilities as compared to the previous year. As a Federal agency with oversight responsibility for the AbilityOne Program and its enabling Act, the Committee can never sacrifice stewardship for employment growth. The unique and mandated structure of the AbilityOne Program and its statutory intent frame the Committee's role in implementing initiatives and business practices, providing education and outreach, and providing effective governance of the Procurement List to grow employment. For the five-year period ending in FY 2014, based on the employment growth strategies discussed above, commitments from Federal departments to increase their purchasing and projections from the Central Nonprofit Agencies, the Committee is targeting a 40% increase in employment for people who are blind or have other significant disabilities under the AbilityOne Program.

The resources required by the Committee to facilitate the AbilityOne Program's pursuit of these targets in 2011 include our existing staff members who work in business operations, pricing, compliance and communications. The Committee realigned its staff to dedicate one FTE to serving as a program liaison with the Department of Defense and the Department of Veterans affairs on these employment initiatives. The Committee is also taking advantage of normal employee attrition to fill vacancies with the specific skill sets needed to manage the Procurement List and related business transactions. These employees are included in the overall request for the personnel object class. The Committee also requires some additional program travel dollars to enable our staff members, including the program liaison, to directly engage high-value audiences. This nominal increase is included in the overall request for the travel object class.

GOAL 4: BUSINESS EXCELLENCE

As the Agency responsible for the effective administration of the AbilityOne Program, the Committee must execute several business processes directly linked to key stakeholders and the employment mission. Three primary business processes that require attention, resources and coordination across agencies are (1) the Procurement List addition process, (2) fair market pricing policy and procedures, to include handling price impasses, and (3) the Central Nonprofit Agency (CNA) Fee determination process.

The Agency's Procurement List addition process is defined by statute and regulation. Over the past five years, the Agency's business process reengineering has resulted in the IT development and deployment of an electronic workflow system and standardized procedures, resulting in some reduction of processing delays. However, further streamlining is needed to minimize the overall administrative burden and provide more responsive service to Federal customers. While statutory or regulatory change would be necessary to effect the most sweeping reform, some efficiencies may be identified within the Committee's current authority through an end-to-end review of the processes utilized by all participating organizations.

By statute, the Committee is responsible for establishing the fair market price of products and services in the AbilityOne Program. Generally, the Committee reviews price recommendations that have been mutually agreed upon by the Federal customer and the AbilityOne nonprofit agency that will deliver the product or service needed. Delays in the process, whether before or after the recommendation is received by the Committee, can delay timely contract awards. Also, participants in the Agency's pricing dispute resolution process report that it takes too long to deliver a decision. An end-to-end review of pricing procedures will enable the Committee to identify process improvements that have tangible results.

Finally, the CNA Fee Ceiling process is critical to the administration of the AbilityOne Program, as it funds the CNAs' performance of their designated duties. The fee must be fair and properly applied so that neither the Federal customer nor the nonprofit agencies participating in the program are unduly burdened. Within the past five years, the Committee and CNAs have collaboratively established a process and timeline for the annual Fee Ceiling determination that effectively supports the needs of the CNAs, nonprofit agencies and Federal customers. Both strategically and in terms of accountability, the Committee has an obligation to ensure that the CNA Fee is being used as intended to benefit the AbilityOne Program overall.

The Business Operations directorate implements the Agency's Procurement List and pricing procedures, while the Policy and Programs directorate is responsible for related policies. The Central Nonprofit Agencies, producing nonprofit agencies and also the Federal customers each play a role in the value chain for Procurement List and pricing transactions. The CNA Fee Ceiling is determined by the full appointed Committee, after a recommendation by its relevant subcommittee, based on information provided by the Central Nonprofit Agencies.

The intended outcome for this goal area is that the Agency's core, external business processes are executed in accordance with documented standard operating procedures (SOPs) that have been developed with input from stakeholders and efficiently deliver results. The Agency has and will continue to consult with program leaders, front-line employees, customers, external partners and other stakeholders in developing and implementing this goal. The performance targets for FY 2011 are the rationalization and reduction of cycle time for both the Procurement List processes and the fair market pricing processes. The resources required by the Committee to facilitate the AbilityOne Program's pursuit of these targets in 2011 include our existing staff members who work in business operations, pricing, and policy/programs.

PROPOSED APPROPRIATION LANGUAGE

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

For expenses necessary for the Committee for Purchase From People Who Are Blind or Severely Disabled, established by Public Law 92-28, \$5,771,000.

POLICY AND FUNDING PRIORITIES

The Agency's top policy and funding priorities pertain to (1) effective stewardship, (2) employee and customer satisfaction, (3) employment growth and (4) business excellence. Each of these is directly tied to the Agency's strategic goals as discussed in the performance plan/goals section above. Each of these priorities will advance the President's goals.

Effective stewardship directly relates to President Obama's goal to responsibly govern the nation. This Agency priority is most in need of additional funding to accomplish the objective of ensuring oversight and full compliance with all laws and regulations. Effective stewardship ensures that the Agency's employment program, known as AbilityOne, is positioned for long-term success. The Agency's major goal to grow employment for people who are blind or severely disabled is the other major area of emphasis and top priority, which directly supports the President's goal to encourage economic growth and invest in the future.

The Administration has signaled its support for enhancing employee satisfaction within the Federal Government to increase productivity, engagement and performance. Similarly, the Committee has made enhancing the satisfaction and work environment of AbilityOne employees who are blind or have other significant disabilities a top priority. Finally, the Business Excellence goal pertains both to responsible governing and investing in the future, particularly to the extent that the agency leverages technology and establishes more efficient processes to achieve excellence in its execution of mission-related business transactions.

AGENCY DISCRETIONARY FUNDING TARGETS AND ALTERNATE TARGETS

The Committee's prior year, current year and budget year requests contain no mandatory funding targets. The Congress has not directed any specific allocation of the Agency's appropriation. Accordingly, the request for \$5,771,000 to fund the salaries and the expenses necessary for the Committee for Purchase From People Who Are Blind or Severely Disabled to implement the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) falls within discretionary funding. No discretionary funding targets were provided for FY 2011 with the FY 2010 budget. Accordingly, the Committee has not submitted alternatives to the discretionary funding targets for FY 2011.

TERMINATIONS, REDUCTIONS AND SAVINGS

The Committee administers only the Javits-Wagner-O'Day Act and the AbilityOne Program it authorizes. The AbilityOne Program has demonstrated direct results in the 43,000 jobs it provides for people who are blind or who have other significant disabilities, and the Agency has strategies and initiatives underway to increase this employment, with effective stewardship and business excellence. More than 17 million Americans are blind or have other significant disabilities, and they have the highest level of unemployment among all segments of our population. The AbilityOne Program attempts to correct this inequity. Our strategic goals and thus our budget request are structured to achieve more and be more aggressive in our pursuit of employment opportunities for these citizens. Accordingly, the Committee does not recommend making any reductions to the program.

In terms of savings, the Agency uses cost avoidance measures such as deploying technology to reduce processing costs and to lessen its dependency on paper and other consumable supplies. The Agency has minimized the number of hard copy publications printed and distributed in favor of providing electronic copies online. Adoption of web-based business transactions has reduced the need for package delivery services and couriers. In FY 2010 and 2011, leveraging economical video teleconferencing equipment will enable the Agency to reduce the need for travel to some meetings, particularly those unrelated to program compliance. The Agency is encouraging all eligible employees to participate in its telework program to avoid the cost of additional office space.

Despite the above cost avoidance strategies, a significant decrease from the FY 2011 requested funding level – a freeze at the FY 2010 level, for example – would be extremely detrimental to the Agency’s ability to fulfill its duties and achieve its mission. As more than 70 percent of the Committee’s budget is for personnel and benefits, disproportionate cuts would have to be taken in all other categories, including mission critical areas, to compensate for compulsory increases in costs such as rental payments to GSA and to cover ongoing technology requirements. If frozen at the FY 2010 level, the Agency would have to (1) severely cut travel, impacting its stewardship and compliance function; (2) minimize employee training, impacting its workforce development and employee satisfaction; and (3) hold fewer public meetings each year, impacting its commitment to transparency.

PROGRAMMATIC INCREASES OR ANOMALIES

While the Agency is maximizing use of technology and telework among its employees, as discussed above, its sole office space in Arlington, Virginia required a lease renewal effective October 1, 2009. The ensuing rent increase of 28 percent (an additional \$110,000 in FY 2011) raises the non-personnel portion of the Agency’s budget for this request and similarly affects the out-years.

In FY 2009, the Committee completed a review of its organizational structure and developed plans to optimize our internal operations. In so doing, two positions that were no longer critical to the agency’s operation were abolished, and some staff reassigned to fill in gaps. The Committee must build a human capital infrastructure that can fulfill its mission. The current environment of accountability and transparency necessitates that the Committee hire 2 additional FTEs with specialized skills and abilities to remedy shortfalls in staffing for program compliance assurance. These additional resources, the Committee’s ability to oversee, protect, preserve and ultimately grow employment through the AbilityOne Program would be jeopardized. This budget request includes a small increase in resources for travel to enable the compliance personnel to execute reviews in advancement of the stewardship goal and outreach initiatives discussed earlier in this justification.

INFORMATION TECHNOLOGY

The Committee supports the President’s priorities for information technology, to include transparency, participation and collaboration. The Agency’s primary business information system was developed in collaboration and cooperation with its key internal and external stakeholders and launched in FY 2008. Throughout FY 2009 and into FY 2010, the Committee will continue to improve and enhance the system’s usability and efficiency, to better support AbilityOne Program business transactions with Federal customers and participating nonprofit agencies.

The Agency’s FY 2011 budget request includes a modest level of funding for enhancement and sustainment of the agency’s information management system as well as its local area network.

As noted above, these are not new technological initiatives or investments for this budget cycle. The Agency requires ongoing programming and support to maintain and enhance its electronic workflow system that automates all AbilityOne business transactions, to include collection of compliance data reports, resulting in greater program efficiency. Such programming support, along with network support, entails specialized skills that are not inherently governmental. It is not advantageous to the Agency to directly hire individuals with such specialized skills, which require frequent updates through training and certifications. The budget request also includes a nominal increase in the equipment budget object class to provide information technology devices to the additional FTEs discussed above.

The Agency will leverage commercially available technology to develop and disseminate Internet-based communication such as live streaming video and RSS feeds. We will further leverage technology to improve “real time” collaboration with stakeholders. The Agency will make cost-effective use of video teleconferencing, web meetings and webinars to ensure that AbilityOne participants can share their concerns, best practices and recommendations directly with Agency leaders. These initiatives have a nominal cost and require no significant investment in FY 2011.

BUDGET REQUEST BY OBJECT CLASS

Table 2: Budget Request by Object Class			
	FY 2009 Authority	FY 2010 Authority	FY 2011 Request
Personnel	\$3,162,000	\$3,335,000	\$3,530,000
Benefits	787,000	830,000	876,000
Travel	150,000	230,000	238,000
Rent & Communications	440,000	443,000	550,000
Printing	40,000	20,000	10,000
Services	415,000	435,000	460,000
Supplies	40,000	50,000	52,000
Equipment	60,000	53,000	55,000
Losses & Claims	0	0	0
TOTAL	\$5,094,000	\$5,396,000	\$5,771,000

Narrative:

Salaries and Benefits - \$4,406,000. This amount represents over 70 percent of the requested budget and covers the 30 FTEs currently funded plus the 2 FTEs requested for FY 2011 for program compliance assurance. This amount also includes 4 private citizen Committee members who are paid at the Executive Level IV rate on a per-diem basis when conducting Committee business.

Travel - \$238,000. This includes travel by the Committee staff to accomplish the agency’s mission and travel by the private citizen Committee members to conduct official business. As previously

stated, as a result of GAO recommendations, the Committee is intensifying its efforts to provide more oversight of the nonprofit agencies participating in the AbilityOne Program. Committee staff on-site audits will assess nonprofit agencies' overall compliance with statutory and regulatory requirements and will provide an opportunity for the Committee staff to validate and verify the data reported by nonprofit agencies through their annual certifications. Compliance travel is the Agency's highest priority. To the extent funds permit, the Committee will also directly engage Federal customers and provide training to federal procurement officials contracting with our 600 affiliated agencies. Direct customer engagement, training and participating in other high-target forums is an integral part of assessing customer satisfaction and increasing awareness of the AbilityOne Program. Having face-to-face contact with the people who utilize the AbilityOne Program is the most effective way to educate the Federal consumer about the Program, stay current on their planned procurement requirements that can result in employment, remain apprised of their thoughts, respond to their concerns and actively ensure that their procurement strategies do not negatively impact employment.

Rent - \$500,000. This is based on the negotiated rent for FY 2011 in the Agency's lease. Although the Committee is requesting an increase in staff, we are not seeking funds for additional space in FY 2011. Current space will be maximized with the additional FTEs sharing office space, digitization of records to eliminate file space, and more current employees participating in telework. The Agency's rent was increased 28% in its lease effective October 1, 2009. Prior to that increase, it had been held relatively flat for five years.

Communications - \$50,000. The Committee is highly dependent on effective communications systems and data networks. In addition to maintaining monthly charges for current telecommunications equipment, the Committee maintains broadband Internet access and remote access Internet service provider accounts. These are required to enable effective implementation of Internet-based information systems that are Section 508 compliant and to provide staff members access to network and email accounts while on travel or teleworking from home or alternate locations.

Printing - \$10,000. The Committee routinely seeks efficiencies in this category and leverages the electronic dissemination of information. However, the Agency will continue to have some printing costs associated with publishing notices in the Federal Register. In the past, most of the printing in the Federal Register was to fulfill the requirement by the Administrative Procedures Act to announce for public comment the Committee's intention to add or delete a product of service to/from the Procurement List. However, consistent with the Agency's commitment to transparency, there will be a continuing need for publishing the Committee's regulatory agenda and publishing proposed and final regulations in the Federal Register. Additionally, the Committee's initiative to educate Federal agencies about the AbilityOne Program will require a limited amount of print material to supplement electronic information.

Services - \$460,000. This category includes the operation and maintenance of equipment. The Committee's LAN, VPN, electronic mail, security and Internet systems are mission critical systems. Although the Committee's Chief Information Officer has the expertise and ability to capably handle most day-to-day operations, the LAN, VPN, electronic mail, security and Internet systems have grown both in terms of sophistication and complexity. Rather than attempt to add additional Government employees to the staff, the Committee procures services to perform both on-going, and as required, technical support from commercial firms with special expertise to support operations of voice and data networks.

To efficiently conserve its resources, the Committee uses GSA to provide administrative support for human resources services, accounting, and payroll services. Similarly, the Committee uses Office of Personnel Management (OPM) case examining services for any position that is filled from outside sources and pays OPM on a cost reimbursable basis. This category also includes advisory and assistance services for statutory requirements. For example, in accordance with FISMA, the Committee must review and report on its security functions on a yearly basis. Similarly, the Accountability of Tax Dollars Act of 2002 requires every agency, regardless of size, to conduct an annual audit of its financial statements. In both of these instances, the Committee procures the services of experts to perform the review functions so that the Committee can then take action to ensure full compliance. While larger agencies have personnel specifically designated to handle such requirements, the Committee must procure services to assist in or perform work that is required to meet these annual statutory requirements.

Supplies and materials - \$52,000. The majority of the funds are used for special Program-related supply items, references, and information technology (IT) supplies required for efficient and effective operation of the agency. IT supplies include license upgrades for office software packages.

Equipment - \$55,000. Due to changes in technology, it is necessary to “refresh” work stations and related desktop equipment on a scheduled basis. In addition, it will be necessary to procure computer work stations and related desktop equipment for the additional personnel requested. The Committee also leases certain equipment for business purposes, such as a high-speed scanner used to convert paper records to electronic format or assistive technology for our staff members with disabilities.

CONCLUSION

The Committee for Purchase From People Who Are Blind or Severely Disabled is an independent Federal agency responsible for administering the AbilityOne Program under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) as amended. The AbilityOne Program creates meaningful employment and training opportunities through Federal procurement of products and services.

The program's delivery of quality products and services at fair market prices is established on a foundation of stewardship and accountability, employee and customer satisfaction, and business excellence. The Committee integrates these elements to achieve its mission of employment growth for Americans with disabilities who have the lowest U.S. rate of employment (38%).

Employment is a key pillar of President Obama's Plan to Empower People with Disabilities. The AbilityOne network employs more than 43,000 people who are blind or have other significant disabilities nationwide. It is the single largest source of employment for this segment of the U.S. population. The Committee's high priority goals and strategies to grow employment will increase the AbilityOne Program's reach and provide more Americans with disabilities the opportunity to work. The Agency's goals, strategies and resulting budget request are well aligned with the President's goals and priorities, including economic growth, accountability, transparency, participation, collaboration and maximization of technology to deliver services efficiently and effectively.

This budget request is structured to achieve more; particularly, to be more aggressive in the pursuit of employment opportunities for people who are blind or have other significant disabilities while assuring the highest level of compliance and stewardship. Recognizing the need to maximize resources and perform the mission as economically as possible, the Agency reviewed the proposed budget increase of \$375,000 in relation to the societal and economic benefits of executing the mission with the requested funds. As noted in the Employment Growth section of this request, the Committee has an aggressive target to achieve a 40% increase in AbilityOne employment by FY 2014. If successful, the program will surpass 60,000 jobs and provide more than \$800 million in annual wages. These opportunities are for individuals with the most barriers to obtaining and maintaining employment. It is important to note that wages and benefits generated through the AbilityOne Program also result in some reduction in Federal assistance needed by our target population.

The Administration's commitment to empowerment of people with disabilities invites a renewed emphasis on and capability to provide employment opportunities through the Javits-Wagner-O'Day Act. We request your support in providing the requested budgetary resources and capacity to increase employment for people who are blind or have other significant disabilities.